

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2618
ANSWERED ON:07.03.2003
PREMIUM OF LIC
AMBATI BRAHMANAIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether LIC has noted a huge gap in premium collection;
- (b) if so, the extent of the gap noticed in the month of January, 2003 by LIC;
- (c) the reasons for lower premia collection by LIC; and
- (d) the steps LIC propose to take to reduce or eliminate this gap in premia collection?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) to (c) The Life Insurance Corporation of India (LIC) has informed that the First Premium Income (FPI) upto January, 2003 has been Rs. 5788.24 crores whereas the FPI upto January, 2002 was Rs. 11834.88 crores. LIC had an exceptional growth during the last year due to favourable market conditions and very high sale of high yield plans. With the reduction in the interest rate, high yield plans have been withdrawn by the LIC and, therefore, the comparative growth of business this year has been low compared with last year.
- (d) LIC has informed that they have been launching vigorous publicity campaigns to augment the business growth of FPI. The measures include training of field force to improve their knowledge and sales skill, increase high value sales for enhancing FPI etc.